

STATE OF SOUTH CAROLINA

BEFORE THE PUBLIC SERVICE COMMISSION

DOCKET NOS. 2017-370-E, 2017-207-E, and 2017-305-E

Joint Application and Petition of South)
 Carolina Electric & Gas Company and)
 Dominion Energy, Incorporated for)
 Review and Approval of a Proposed)
 Business Combination between SCANA)
 Corporation and Dominion Energy,)
 Incorporated, as May Be Required, and)
 for a Prudency Determination Regarding)
 the Abandonment of the V.C. Summer)
 Units 2 & 3 Project and Associated)
 Customer Benefits and Cost Recovery)
 Plans)

MOTION TO STRIKE
 SCE&G'S NOTICE OF CHANGE IN
 SECURITY RATING

Friends of the Earth and Sierra Club,)
 Complainant/Petitioner v. South Carolina)
 Electric & Gas Company,)
 Defendant/Respondent)

Request of the Office of Regulatory Staff)
 for Rate Relief to South Carolina Electric)
 & Gas Company's Rates Pursuant to S.C.)
 Code Ann. § 58-27-920)

The South Carolina Coastal Conservation League ("CCL") and Southern Alliance for Clean Energy ("SACE") hereby move the Commission pursuant to R. 103-829 to strike the notification of change in security rating filed on August 10, 2018 in the above-captioned dockets.

In support of this motion, CCL and SACE state as follows:

1. This matter arises out of consolidated dockets 2017-370-E, 2017-207-E, and 2017-305-E, which, collectively, address the prudency of South Carolina Electric & Gas Company's ("SCE&G") abandonment of the V.C. Summer Units 2 & 3 nuclear

project, approval of a proposed business combination between SCANA Corporation and Dominion, and approval of a cost recovery and customer benefits plan.

2. On August 10, 2018, SCE&G filed in these dockets, as well as in Docket No. 89-230-EG, a letter notifying the Commission that the rating agencies Fitch Ratings (“Fitch”) and S&P Global Ratings (“S&P”) had recently downgraded the credit ratings of SCANA and SCE&G (the “Notice”). In its Notice, SCE&G took care to highlight the reasons cited by Fitch and S&P for the downgrades, which included a “sharp deterioration in the legislative and regulatory environment in South Carolina since abandonment of the new nuclear project;” the rate reduction mandated in H. 4375; and the federal district court’s denial of SCE&G’s request for a preliminary injunction to halt the rate reduction. SCE&G also carefully pointed out a statement by Fitch that the acquisition of SCANA by Dominion would enhance SCANA’s credit quality, and that if the merger were to be consummated, the rating agency would consider an upgrade.

3. SCE&G stated that its Notice was filed in compliance with Order No. 92-931 in Docket No. 89-230-EG, which requires SCE&G to notify the Commission of any change in a security rating. That docket is separate from and entirely unrelated to these consolidated dockets, which means filing the notification in these dockets is entirely inappropriate.

4. Simply put, neither Order No. 92-931 nor any order in these dockets justifies or requires these filings. Instead, filing the Notice in these dockets was a gratuitous attempt by SCE&G to influence the Commission’s deliberations regarding cost recovery for the abandoned V.C. Summer units, as well as the proposed Dominion-SCANA merger. The transparent implication in these filings is that the Commission

must either approve the Dominion/SCANA merger as proposed or bear the blame for any further downgrades in SCE&G's credit ratings.

5. Moreover, the Notice is not relevant to any issue in these dockets. The Base Load Review Act authorizes recovery of only "prudently incurred" costs. To the extent SCE&G and its managers incurred costs imprudently, ratepayers have no legal obligation to pay those costs. Yet SCE&G's filings here clearly suggest that ratepayers *should* bear those costs, if only to protect SCE&G's shareholders and managers from the consequences of their imprudent decisions.

6. In addition, if SCE&G wishes to incorporate a document into the evidentiary record, the document needs a sponsoring witness. In each of these consolidated dockets, the Commission has established a schedule providing for the pre-filing of testimony and exhibits by the parties. The deadline for SCE&G and Dominion to file their direct testimony in Docket No. 2017-370-E was on August 2, 2018. It is inappropriate and prejudicial to the other parties for SCE&G to paper the record with filings after the Company's direct testimony deadline has passed. What else will SCE&G add to the record and when will they add it? Allowing this behavior places all other participants in an untenable situation: trying to prepare responsive testimony without knowing the full universe of evidence to which that testimony must respond.

WHEREFORE, CCL and SACE move the Commission to strike the notification of change in security rating filed by SCE&G in the above-captioned dockets.

Respectfully submitted this 22nd day of August, 2018.



J. Blanding Holman, IV (SC Bar No. 72260)
William C. Cleveland, IV (SC Bar No. 79051)
Elizabeth Jones (SC Bar No. 102748)

Southern Environmental Law Center
463 King Street, Suite B
Charleston, SC 29403
Telephone: (843) 720-5270
Fax: (843) 720-5240

*Attorneys for Intervenors South Carolina Coastal
Conservation League and Southern Alliance for
Clean Energy*